

BEFORE THE DEPARTMENT OF PUBLIC
HEALTH AND HUMAN SERVICES OF THE
STATE OF MONTANA

In the matter of New Rule I and the)	NOTICE OF PUBLIC HEARING
amendment of ARM 37.86.5201,)	ON PROPOSED ADOPTION
37.86.5202, and 37.86.5205 pertaining)	AND AMENDMENT
to the disease management program)	

TO: All Interested Persons

1. On June 13, 2007, at 10:00 a.m., a public hearing will be held in the auditorium of the Department of Public Health and Human Services Building, 111 N. Sanders, Helena, Montana to consider the proposed adoption and amendment of the above-stated rules.

The Department of Public Health and Human Services will make reasonable accommodations for persons with disabilities who need an alternative accessible format of this notice or provide reasonable accommodations at the public hearing site. If you need to request an accommodation, contact the department no later than 5:00 p.m. on June 4, 2007, to advise us of the nature of the accommodation that you need. Please contact Dawn Sliva, Office of Legal Affairs, Department of Public Health and Human Services, P.O. Box 4210, Helena, MT 59604-4210; telephone (406)444-5622; FAX (406)444-1970; e-mail dphhslegal@mt.gov.

2. The rule as proposed to be adopted provides as follows:

RULE I CRITERIA FOR DETERMINING CHRONIC DISEASES MANAGED UNDER THE DISEASE MANAGEMENT PROGRAM (1) The department uses the criteria listed in this rule to specify the chronic conditions included in the disease management program and the age groups eligible to participate. Conditions and age groups are subject to change as clinical practices and evidenced-based health care practice guidelines change. The following criteria are used:

(a) disease management program services improve client self-management, decrease medical service utilization and costs, or improve clinical measures and health outcomes;

(b) the existing clinical practice for the condition varies from evidence-based health care best practice guidelines;

(c) the prevalence of the condition in the Medicaid population is sufficient to warrant management;

(d) a client with the condition is able to understand and apply condition specific management techniques; and

(e) management of the condition does not clinically conflict with other co-morbidities.

AUTH: 53-6-101, 53-6-113, MCA

IMP: 53-6-101, 53-6-113, MCA

3. The rules as proposed to be amended provide as follows. Matter to be added is underlined. Matter to be deleted is interlined.

37.86.5201 DISEASE MANAGEMENT PROGRAM: DEFINITIONS The following terms and definitions apply to the disease management program:

(1) remains the same.

(2) "Disease management program services" means specialized services provided to Medicaid clients ~~with the chronic medical conditions~~ meeting the eligibility criteria listed in ARM 37.86.5205. Disease management program services are aimed at care coordination, client education, improved client self-care, and efficiency and cost effectiveness of services.

(3) through (6) remain the same.

AUTH: 53-6-101, 53-6-113, MCA

IMP: 53-6-101, 53-6-113, MCA

37.86.5202 DISEASE MANAGEMENT PROGRAM: GENERAL (1) The disease management program provides coordinated health care interventions and education for Medicaid clients ~~with the chronic medical conditions~~ meeting the eligibility criteria listed in ARM 37.86.5205. The purpose of the program is to provide and/or coordinate services that decrease utilization and cost while optimizing treatment and improving health outcomes for clients.

(2) through (4)(d) remain the same.

AUTH: 53-6-101, 53-6-113, MCA

IMP: 53-6-101, 53-6-113, MCA

37.86.5205 DISEASE MANAGEMENT PROGRAM: CLIENT ELIGIBILITY AND ASSIGNMENT (1) To receive disease management services an eligible client must be ~~a recipient of Montana Medicaid and be diagnosed with at least one of the following chronic medical conditions:~~

(a) ~~asthma~~ a recipient of Montana Medicaid;

(b) ~~diabetes~~ diagnosed with at least one of the chronic conditions selected for program management as determined by Montana Medicaid under [RULE I]; and;

(c) ~~heart failure;~~ within the specified age criteria as determined under [RULE I] for the chronic condition selected for program management.

(d) ~~chronic pain; or~~

(e) ~~cancer.~~

(2) A client must not be:

(a) receiving mental health service plan (MHSP) benefits, specified low income Medicare beneficiary (SLMB) benefits, ~~or~~ qualified Medicare beneficiary (QMB) benefits, qualified individual program (QI) benefits, or both Medicare and Medicaid (dual eligibility) benefits;

(b) residing in a nursing home or institutional setting ~~for more than 30 days;~~

(c) through (3)(d) remain the same.

AUTH: 53-6-101, 53-6-113, MCA

IMP: 53-6-101, 53-6-113, MCA

4. The proposed new rule and rule amendments incorporate changes to Montana Medicaid's disease management (DM) program called Nurse First. The rule changes will allow the Department of Public Health and Human Services (DPHHS) flexibility to determine which chronic conditions will be managed in the Nurse First program and which clients will be eligible. The changes are necessary for DPHHS to effectively offer the Nurse First program. Service delivery through disease management organizations (DMO) changes frequently. The Nurse First program must have flexibility to meet Medicaid client needs and respond to changes in appropriation. The proposed rule amendments are intended to effectively deliver medical services and use limited resources.

ARM 37.86.5201 stated that clients meeting specific "chronic medical conditions listed in ARM 37.86.5205" were eligible for DM program enrollment. The amendments delete the list of chronic medical conditions -- asthma, diabetes, congestive heart failure, chronic pain, and cancer -- and add language stating the criteria Medicaid will use to determine which conditions and age groups are selected for DM program management.

The Nurse First program was adopted as a cost savings measure to meet a 2003 legislative mandate to reduce Medicaid expenditures by \$2.5 million. This rule amendment adds qualified individual program (QI) clients to the list of Medicaid clients excluded from the program. This is consistent with current practice. Medicare Savings program clients (qualified Medicare beneficiaries (QMB)), specified low income Medicare beneficiaries (SLMB) and QIs are currently excluded from participation in Nurse First because it is not cost effective for Montana Medicaid.

Dual eligibility clients (Medicare and Medicaid) are also being excluded from the program. Disease management program services are authorized under Montana's 1115(b) waiver, which excludes dual eligibility clients from participation due to "budget neutrality". Including dual eligibility clients' increases Nurse First program costs that do not result in Montana Medicaid savings.

All current nursing home and institutionalized clients are excluded from the program. Current wording excludes from enrollment clients in those care settings for more than 30 days but these clients have never been included in the program due to data and systems limitations. Clients with open nursing home/institutional spans at the first of each month are currently excluded from program enrollment.

The department considered continuing to list the chronic conditions that qualified a client for the program but determined it was more cost effective and provided better client health care to list the criteria the department uses to determining which conditions and age groups are selected to participate in the program.

No budgetary increase is anticipated from these amendments. This rule change

impacts approximately 84,000 Medicaid clients and 6,000 providers. Cancer will no longer be a condition subject to disease management, which will remove approximately 300 Medicaid clients from the program. Dual eligible clients will no longer be part of the program, which will remove approximately 200 clients from the program.

5. Interested persons may submit their data, views, or arguments either orally or in writing at the hearing. Written data, views, or arguments may also be submitted to Dawn Sliva, Office of Legal Affairs, Department of Public Health and Human Services, P.O. Box 4210, Helena, MT 59604-4210, no later than 5:00 p.m. on June 21, 2007. Data, views, or arguments may also be submitted by facsimile (406)444-1970 or by electronic mail via the Internet to dphhslegal@mt.gov. The department also maintains lists of persons interested in receiving notice of administrative rule changes. These lists are compiled according to subjects or programs of interest. For placement on the mailing list, please write the person at the address above.

6. The Office of Legal Affairs, Department of Public Health and Human Services has been designated to preside over and conduct the hearing.

7. The bill sponsor notice requirements of 2-4-302, MCA, do not apply. This proposal notice does not initially implement new or amended legislation.

/s/ Geralyn Driscoll
Rule Reviewer

/s/ Russell Cater for
Director, Public Health and
Human Services

Certified to the Secretary of State May 14, 2007.